

2:15-cv-01045-RFB-PAL

UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

CUNG LE, et al.,
Plaintiffs,
vs.
ZUFFA, LLC, d/b/a Ultimate
Fighting Championship and
UFC,
Defendants.

)
)
) Case No. 2:15-cv-01045-RFB-PAL
)
) Las Vegas, Nevada
) Tuesday, August 27, 2019
) 9:15 a.m.
) EVIDENTIARY HEARING, DAY TWO
)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THE HONORABLE RICHARD F. BOULWARE, II,
UNITED STATES DISTRICT JUDGE

APPEARANCES: See Pages 2 and 3

COURT REPORTER: Patricia L. Ganci, RMR, CRR
United States District Court
333 Las Vegas Boulevard South, Room 1334
Las Vegas, Nevada 89101

Proceedings reported by machine shorthand, transcript produced
by computer-aided transcription.

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1 about that as well. So, why don't we move on from here,
2 Mr. Isaacson.

3 MR. ISAACSON: All right. I'm just going to say this.

4 THE COURT: Okay. Go ahead.

5 MR. ISAACSON: There's a question. Sorry.

6 BY MR. ISAACSON:

7 Q. The -- Dr. Topel, you're founder of the *Journal of Labor*
8 *Economics*. You've been in the field of labor economics for a
9 long time. How many regressions have you seen before this case
10 in labor economics with a wage share as the dependent variable
11 to measure the effect of a monopsony?

12 A. You mean the wage of an individual divided by the revenue of
13 the firm?

14 Q. Yes.

15 A. 0.

16 Q. Okay. And how many have you seen using log of compensation
17 to measure the effect of monopsony?

18 A. Well, the monopsony cases that I've seen use the level of
19 compensation nor the log of compensation.

20 THE COURT: So you're saying you've never seen any
21 monopsony analysis that looks at, in the context of professional
22 sports, wage share as a measure of the impact of monopsony
23 power?

24 MR. ISAACSON: Your Honor, my question was whether -- a
25 regression.

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1 THE COURT: Okay. Mr. Isaacson, that's my question.

2 MR. ISAACSON: Okay.

3 THE WITNESS: People have looked at the share of
4 compensation in, say, professional baseball, when we knew that
5 monopsony was removed because of the removal of the reserved
6 clause, and looked at the change in the level of compensation
7 and as a share of revenue.

8 THE COURT: Okay. So then -- so then where -- I just
9 want to be clear. So you've seen it in some places and not
10 other places. Where have you seen it, and why would you say
11 it's not appropriate here? Because you use the log of
12 compensation, which you've talked about. Why would wage share
13 not be appropriate here if it was appropriate in baseball?

14 THE WITNESS: Okay. So, in baseball it was not the
15 wages of individuals divided by the revenue of the team. It was
16 the wages of all the players. And there you knew that a -- you
17 knew that a monopsony was coming to an end and, so, there was
18 going to be a redistribution from one side of the market to
19 another. Fine. Look at the shares. Look at the levels.
20 Whatever. It's interesting to find that there's this big
21 transfer that went on. But changes in share were not used to
22 infer the -- the existence of the monopsony. We knew it was
23 there.

24 THE COURT: And you knew it was there how?

25 THE WITNESS: You knew it was there because of the